THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Presently, the following five Securities and Exchange Board of India (SEBI) registered credit rating agencies (CRAs) are operating in India:—

1. CRISIL Ltd.
2. Fitch Ratings India Private Ltd. (FICH)
3. Investment information and Credit Rating Agency (ICRA)
4. Credit Analysis and Research Ltd. (CARE)
5. Brickwork Ratings India Private Ltd. (Brickwork)

(b) SEBI registers CRAs subject to the condition that they comply with the provisions of the SEBI Act, 1992, the SEBI (Credit Rating Agencies) Regulations, 1999, including the Code of Conduct prescribed in the Regulations and also the guidelines, directives, circulars and instructions issued by SEBI from time to time on the subject matter of credit rating. These *inter-alia* require a CRA to maintain books of accounts and records for a minimum period of five years, maintain confidentiality of information with respect to their clients, frame appropriate internal procedures and policies, ensure appropriate disclosure on rating process, disclose rating definitions and rationale, monitor the ratings assigned and ensure good corporate policies and governance standards.

(c) SEBI regulates activities of the CRAs in the ratings of instruments categorized as securities in Securities Contracts (Regulation) Act, 1956. Reserve Bank of India undertakes an accreditation process for the limited purpose of using ratings for assigning risk weights within the framework of Basel II Accord.

(d) and (e) Credit Rating is an independent professional opinion given by the credit rating agency regarding securities. Ratings change in tune with changes in the economy, the concerned sector and fundamentals of the company among others. CRAs are obliged to monitor such changes and revise their ratings. Such rating migrations are normal and do not call for any action from the regulators.

(f) and (g) As per information submitted by the five rating agencies *viz.* CRISIL, CARE, ICRA, FITCH and Brickwork, the rating agencies have confirmed that they have not conferred any ratings on Satyam Computer Services Ltd. and/or its scrip.

Investigations into Mutual Funds

1071. SHRI VARINDER SINGH BAJWA: Will the Minister of FINANCE be pleased to state:

(a) whether in view of Satyam Computer scam that has recently blown up, Government proposes to investigate the working of Mutual Funds like Tata Tax Advantage started as a New Fund Offering in early 2006, to unearth irregularities indulged into by managements at the cost of small investors who invested in such mutual funds for tax concessions under Income Tax Act, 1961;

(b) if so, the number of mutual funds proposed to be investigated, that were started during the last five years since 2004; and

(c) by when the investigations are likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) and (c) Do not arise.

Challenges facing LIC

1072. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether to face the challenges posed by the private insurance sector, Life Insurance Corporation (LIC) has drawn up plans to hire 11 lakh more agents against 45,000 by the combined private sector;

(b) whether to make a dent in LIC market share the private players are recruiting high-profile agents to expand their business and market reach; and

(c) whether there has been a high rate of attrition in LIC from where senior and high profile agents are seeking to switch over to the private insurance sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The Life Insurance Corporation of India (LIC) has reported that it is projecting to double its Agency force in a span of 3 to 4 years. To achieve this objective, LIC has increased the recruitment of Development Officers and has introduced a new channel of Chief Life Insurance Advisors (CLIA). LIC has reported that as on 31.01.2009, the total number of Agents on its rolls is 13,09,711. In the current year, up to 31.01.2009, LIC has reported a net increase of 1,15,967 Agents.

The attrition rate of senior/high profile agents of LIC has not gone up. This is because of the unique set of incentives/benefits that LIC makes available to its performing/senior agents.

Forecast by IMF

1073. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the International Monetary Fund (IMF) has forecast 2009 as the economically worst year for the world after World War-II;

(b) whether the IMF has also pegged down the projected growth rate for India at 5.1 per cent; and

(c) if so, Government's comments thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. In its World Economic Outlook (WEO) update released in January, 2009,